



March 9, 2022

TO: Senator Haskell, Senator Cassano, Representative Lemar, Representative Simms, and distinguished members of the Transportation Committee

FROM: Bruce Adams, President & CEO – Credit Union League of Connecticut

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On behalf of Connecticut's Credit unions and their nearly 1 million members, I respectfully offer testimony today **in SUPPORT of:**

H.B. 5365 AN ACT CONCERNING CERTIFICATES OF TITLE

Credit unions offer a unique advantage to the financial services consumer. They can offer the same products such as checking and savings accounts and home mortgages and vehicle loans. Nationwide, credit unions represent over 20% of all auto loans. Credit unions are not-for-profit financial institutions that exist for the purpose of increasing the financial independence and wellness of their members.

In 24 states, paper vehicle titles have gone the way of the buggy whip. Through technological advances and digital-cultural evolution, paper titles have not only proved themselves anachronistic, paper titles are now expensive, inefficient, and embarrassing. The time has come to bring Electronic Vehicle Liens and Titles ("ELT") to Connecticut.

ELT is a system that can create, save, and even alters vehicle titles electronically. At the same time, the ELT system can generate a paper title if the customer or the lienholder desires one. This means that in an ELT state, in many cases there is no need for a paper title. Simply put, the vehicle titling process is smoother for everyone in an ELT state.

As of 2020, twenty-four states have active ELT programs. Lender participation is voluntary in some jurisdictions and mandatory in others. Ten states require lender participation: Arizona,

Florida, Georgia, Louisiana, Massachusetts, Nevada, North Carolina, Pennsylvania, South Carolina, and Virginia. Another 14 states have voluntary programs: California, Colorado, Hawaii, Idaho, Iowa, Kansas, Maryland, Nebraska, New York, Ohio, South Dakota, Texas, Washington, and Wisconsin.

Closer to home, Massachusetts New York, Pennsylvania , Ohio, and every other state on the Eastern Seaboard from Maryland to Florida has ELT laws already in place.

An effective ELT program in Connecticut would benefit all stakeholders.

- 1) **The consumer** experience becomes more efficient and just as secure as paper titles, if not more.
 - 2) **The retailer** (brick and mortar and online alike) reduces or even eliminates certain associated costs (e.g. handling, storage, tracking, and mailing).
 - 3) **The state** reduces hard costs in equipment, processing, printing, and mailing vehicle titles; it eases burden on customer facing staff by reducing customer foot traffic; and it frees up existing human resources to focus on easing operational burden in other areas of the agency.
- When an Electronic Lien is satisfied (paid off), the lienholder simply releases it electronically through their service provider and the DMV would print and mail the lien-free (or “clean”) title to the vehicle owner.
 - A title may also be converted to paper before the loan is paid off. This may occur when the vehicle has been repossessed, the lienholder requires a paper title, or the purchaser is moving to a state that still requires a paper title for registration.

If passed, HB 5365 would benefit the state, the public, and private industry. The time has come to pass this commonsense, balanced bill into law.